

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7984**

**BILL NUMBER: SB 379**

**DATE PREPARED:** Jan 15, 2001

**BILL AMENDED:**

**SUBJECT:** Unclaimed Business Property at Railroads.

**FISCAL ANALYST:** John Parkey

**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill exempts property associated with a transaction between a business and a freight railroad from the Unclaimed Property Act.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** The bill will decrease state revenue in so far as it excludes outstanding checks or unidentified receipts associated with business transactions related to freight railroads from the unclaimed property law. In addition to unclaimed property to which a creditor, claimant or payee is legally entitled, other examples of such transactions include errors in accounts payable, misapplied credits, and unidentified freight payments. The dollar value of unclaimed property that will be excluded by this bill is indeterminable. (Current law excludes business transactions between businesses and motor carriers.)

Intangible property held by businesses or financial institutions is presumed abandoned seven years after the last owner contact and is subsequently remitted to the Office of the Attorney General. All funds received are placed in the *Abandoned Property Fund*. A claimant can recover the value of the property for up to 25 years. Whenever the balance of the principal of the Fund exceeds \$500,000, the excess is transferred to the *Common School Fund*. Each year, the interest balance in the *Abandoned Property Fund* is transferred to the *State General Fund*. At the end of FY 2000, the balance of the *Abandoned Property Fund* was \$ 28.1 M.

Any interest *earned* on unclaimed property is deposited into the *General Fund*.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Attorney General's Office.

**Local Agencies Affected:**

**Information Sources:** Veronica Hibbler, Attorney General's Office, 232-6348.